

## FINANCIAL IMPACT STATEMENT

### For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator  Ed Newvine	2. Telephone No.  823-6929	3. Bureau/Office/Dept.  OMF-Internal Bus Services-Facilities Services
4a. To be filed (date)	4b. Calendar (Check One) Regular      Consent      4/5ths X <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst:

**1) Legislation Title:**

Approve Intergovernmental Agreement with State of Oregon Department of Energy for federal grant funds through the American Recovery and Reinvestment Act of 2009 for The Portland Building Digital Control Upgrade project. (Ordinance)

**2) Purpose of the Proposed Legislation:**

The American Recovery and Reinvestment Act (ARRA) of 2009 directs states to focus State Energy Program (SEP) funding on energy efficiency and renewable energy. ARRA calls for expanding existing programs approved by the state, directing funds to energy efficiency retrofits of buildings and supporting renewable energy projects. To increase the impact of the stimulus funds, USDOE gives preference to projects with a high degree of leverage or matching funds.

ARRA has provided funds to the Oregon Department of Energy for competitive State Energy Program (SEP) grants for energy efficiency and renewable energy projects benefiting local governments. Portland's energy efficiency program for city-owned facilities – the City Energy Challenge – has worked cooperatively with bureau managers to identify energy and renewable energy projects to submit for SEP funding.

The Office of Management and Finance has identified the Portland Building Digital Control Upgrade as a capital improvement project that saves energy, reduces carbon emissions, reduces annual maintenance expense and improves the function of the facility.

The Oregon Department of Energy has notified the Office of Management and Finance that the Portland Building Digital Control Upgrade project has been approved.

The project will include the retrofitting of 454 terminal heating and cooling units in the Portland Building from the building's original pneumatic controls to direct digital controls. The enhanced control of the units will decrease building energy use with the use of schedules and temperature setbacks during unoccupied times of the day. Monitoring and comfort control of the temperature zones will be improved as well a decrease in maintenance resources needed for repairs and problem diagnostics.

**3) Revenue:**

**Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.**

None

**4) Expense:**

**What are the costs to the City as a result of this legislation? What is the source of funding for the expense?** (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

The total cost of this project is estimated at \$1.2 million. The project will be funded by several grants and the Facilities Services Fund. The funding from each source is anticipated as follows:

ARRA EEC Block Grant	\$294,250
ARRA ODoE	\$175,000
Oregon Energy Trust	\$20,000
Sub-total Grant Funding	<b>\$489,250</b>
Net City Investment	\$783,110
<b>TOTAL PROJECT COEST</b>	<b>\$1,272,360</b>

This accompanying ordinance is to accept the agreement from ODOT for the ARRA ODoE grant of \$175,000. The grant funds will be used to cover construction contract costs. The entire \$175,000 is anticipated to be spent in FY 10-11.

The City contribution to the project will be funded by the Portland Building major maintenance reserve in the Facilities Services fund. In the event no grant funds are received, the project will continue to proceed, using major maintenance funds for the entire project cost.

**Staffing Requirements:**

**5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

None

**6) Will positions be created or eliminated in future years as a result of this legislation?**

None

**Complete the following section only if an amendment to the budget is proposed.**

**7) Change in Appropriations** (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount
21700 1	MFOP000045	525000	LAOMOM000000		MF000004	\$0

JEFFREY B. BAER, DIRECTOR, BUREAU OF INTERNAL BUSINESS SERVICES

APPROPRIATION UNIT HEAD (Typed name and signature)



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE

**Sam Adams, Mayor**  
**Kenneth L. Rust, Chief Administrative Officer**  
**Jeffrey B. Baer, Director, Bureau of Internal Business Services**

**John Acker, Manager**  
**Facilities Services**  
1120 S.W. Fifth Avenue, Rm. 1204  
Portland, Oregon 97204-1912  
(503) 823-5288  
FAX (503) 823-6924  
TTY (503) 823-6868

183771

**DATE:** May 7, 2010

**TO:** Mayor Sam Adams

**VIA:** Jeff Baer, Director of Internal Business Services  
John Acker, Facilities Services Manager

**FOR MAYOR'S OFFICE USE  
ONLY**

Reviewed by Bureau Liaison

**FROM:** Ed Newvine, P.E., Project Manager

**RE:** \* Approve Intergovernmental Agreement with State of Oregon Department of Energy for federal grant funds through the American Recovery and Reinvestment Act of 2009 for The Portland Building Digital Control Upgrade project. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** May 13, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** May 19, 2010
3. **CONTACT NAME & NUMBER:** Ed Newvine, 3-6929
4. **PLACE ON:** X **CONSENT**      **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** X **Y**      **N**      **N/A**
6. **(2) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY**  
**ATTACHED:** X **Yes**      **No**      **N/A**

**7. BACKGROUND/ANALYSIS**

The American Recovery and Reinvestment Act (ARRA) of 2009 directs states to focus State Energy Program (SEP) funding on energy efficiency and renewable energy. ARRA calls for expanding existing programs approved by the state, directing funds to energy efficiency retrofits of buildings and supporting renewable energy projects. To increase the impact of the stimulus funds, USDOE gives preference to projects with a high degree of leverage or matching funds.

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*To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.*

day. Monitoring and comfort control of the temperature zones will be improved as well a decrease in maintenance resources needed for repairs and problem diagnostics.

This project has also applied for additional funding sources from the Energy Trust of Oregon, Oregon Business Energy Tax Credit (BETC) and the ARRA Energy Efficient Community Block Grant (EECBG).

## **8. FINANCIAL IMPACT**

The total cost of this project is estimated at \$1.2 million. The project will be funded by several grants and the Facilities Services Fund. The funding from each source is anticipated as follows:

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## **9. RECOMMENDATION/ACTION REQUESTED**

\* Approve Intergovernmental Agreement with State of Oregon Department of Energy for federal grant funds through the American Recovery and Reinvestment Act of 2009 for The Portland Building Digital Control Upgrade project. (Ordinance)